

## **BUILDING BETTER TRANSPORTATION COMMITTEE**

### **Executive Summary October 4, 2004**

The meeting was convened at 1:39 p.m.

#### **a. Expansion and Improvement of Transit and Transportation Systems**

##### **1. Taxicab Service Model Implementation Follow-up Report and Recommendations**

**Upon motion by Vice Chair LeZotte, and seconded by Councilmember Williams, the Committee accepted the report with direction to staff to come back to the Committee on November 1, 2004 meeting with answers or documentation on all of the above as well as any written submitted question here today, keeping in the time frame for the RFP and refer to Rules out of this Committee whether or not the Council had in fact suggested that there be a moratorium based on the number of permits that have been issued on whether that was based on the fact that this would be moving at a quicker pace and whether we want to reconsider or did we in fact have a moratorium.**

Refer to minutes for public comments on this item.

##### **2. Review of Niemen-Route 87 Portion of the Downtown-East Valley Light Rail Project**

**Upon motion by Vice Chair LeZotte, and seconded by Vice Mayor Dando, the Committee accepted the report.**

#### **b. Traffic Relief/Safe Streets**

Review of Annual Traffic Calming Report to Council

**Upon motion by Vice Mayor Dando, and seconded by Councilmember Williams, the Committee accepted the report.**

**c. Supporting Smart Growth**

- 1 No items

**d. Regional Relationships/Funding/Policy**

- 1 Caltrans District 4 Regional Transportation Issues Report

**The Committee accepted the report.**

2. One Year Report on the Construction Impact Mitigation Plan (CIMP) activity

**Item deferred until November 1, 2004.**

**e. Oral Petitions**

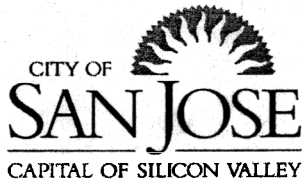
There were none.

**f. Adjournment**

**The Committee was adjourned at 4:30 p.m.**

A handwritten signature in black ink, appearing to read "Dave Cortese", is positioned above the printed name.

Councilmember Dave Cortese, Chair,  
Building Better Transportation Committee



## **BUILDING BETTER TRANSPORTATION COMMITTEE**

### **Meeting Report October 4, 2004**

- PRESENT:** Chair David Cortese, Vice Chair Linda LeZotte, Councilmember Forrest Williams, Councilmember Cindy Chavez, Vice Mayor Dando
- STAFF:** Ed Shikada, Glenn Schwarzbach, Jim Ortbal, Jim Helmer, Bob Lockhart, Pete Oliver, Amit Kothari, Jeff Marozick, Hans Larsen
- GUESTS:** Bijan Sartipi, State of California, Department of Transportation, District Director, District 4, Dana Cowell, State of California, Department of Transportation, Deputy District Director, Planning and Local Assistance, District 4, Gene Gonzalo, Caltrans, District Division Chief, Division of Program/Project Management, District 4, and Bob Salazar, Caltrans, Regional Manager, District 4

The meeting was convened at 1:39 p.m.

Vice Chair Linda LeZotte began the meeting by stating that Chair Cortese would be late, but expected to arrive in time for the 2:30 time certain of item A1. She asked that the record show there was a quorum of three members present. Vice Mayor Dando arrived at 1:44 p.m. Chair Cortese arrived at 2:05, and Councilmember Cindy Chavez left at 3:27. The Committee will be taking item D1 out of order, and we have the time certain A1 at 2:30.

#### **a. Expansion and Improvement of Transit and Transportation Systems**

##### **1 Taxicab Service Model Implementation Follow-up Report and Recommendations**

Jim Ortbal, Assistant Director, Department of Transportation, introduced Bob Lockhart, Operations Manager, Airport Department, and Pete Oliver, Deputy Chief, San José Police Department (SJPD). We are presenting today from a Council directive in May to come back to the Committee and report back on four specific items and two others that we will be addressing today as well. The four items being addressed include the ratio of airport contracts between drivers and companies. Staff made a recommendation in May of 167/133 and Council directed 195/105 ratio drivers/companies; methodology of the adjustment of airport contracts (up or

down); and draft of the legal permit/agreement that would be used between drivers and companies in the airport to manage the overall process. We would like to update the Committee on the work being done between drivers and companies within the taxicab maximum fare issue and how that would be implemented. Two additional items to report on: the request for proposal (RFP) process at the airport for taxi starter service as well as the temporary limit on the number of taxicab driver permits citywide.

Chair Cortese asked about the rule for Checker, California, and City Cab, when it was said that you had to have been formed and in operation prior to Council action, was it verified and actually determined when they worked for them? Jim Ortbal stated yes, they were definitely in operation before the May 18, 2004 Council meeting, all of these companies existed prior to the Council taking action. Chair Cortese then asked exactly when, Jim Ortbal will get back to him on dates.

Vice Mayor Dando asked to see a chart with the date each company came into existence. She asked about the criteria basis for a company in good standing? Jim Ortbal stated that the level of service was not part of the criteria, it was based on if they had a license with the San José Police Department (SJPD), they have insurance, and they were formed prior to May 18, 2004.

Jim Ortbal continued with his presentation, and explained the 3<sup>rd</sup> column of the presentation as follows suing Yellow cab's figures of  $6 + 5c = 11$ : they would have 6 contracts, those 6 contracts would have alternate day access to the airport, and they could assign a driver to work on that alternate day. So Yellow would have 6 to operate on an every other day basis, they would also have 5 that would have the full rights essentially, like the 6, and on the every other day they contract is good. For example 5 of them may be good on an "A" day and 6 be good on a "B" day, so they are only good on alternate days. To clarify, the number represents that there could be 6 cars from Yellow, and on the alternate day there could be 5 cars. So essentially the contracts are assigned to the cars, not the drivers.

Jim Ortbal went on to explain how the contracts were divvied up. Regardless of the number of trips that were estimated from each company, in all fairness we gave each company 6 contracts to begin with and then based on higher ride activity we divvied up the rest. So each company has an equal chance to make money and to grow. There will be no difference to customers in the number of cabs, the difference will be in the staging area of the cabs lined up and the taxicab starter manager checking contracts. It will be managed behind the scenes.

Vice Mayor Dando asked if the City is trying to control the number of cars that can be permitted and not the number of drivers. Jim Ortbal stated that we are trying to control both, we are looking to have 300 drivers, and 300 cabs available at the airport and on any given day 150 drivers and cabs to meet the demand at the airport. We are trying to balance customer service and that drivers don't have to wait too long in a day to get fares. These numbers were arrived by looking at history day by day and sometimes even ½ hour by ½ hour to come up with fair numbers to everyone. This program is a hybrid model, it is being used by several cities in the US.

Councilmember Chavez asked that we bring this back to share with the full Council, including the chart that Vice Mayor Dando requested. Incorporate the detailed company information i.e.

ownership of the companies, how many cars each company owns and how many companies does each company own, and what the appropriateness of using cabs versus drivers as a base for the map, and what that means to the drivers and the companies.

Vice Mayor Dando inquired about the 2-year review period and if there could be a review at 1 year to assess their customer service reputation, and if they are in good standing then extend for 2 years? Jim Ortbal stated that the City will be monitoring service level from day one; we will not be waiting for 1 or 2 years to see if the provisions of the contract are being met. If we find problems we will take action in 3 – 6 months.

Bob Lockhart added that again we will be monitoring on a regular basis, and the 2-year review gives the smaller companies a chance to grow. They will all be held accountable on their contract on a quarterly basis to make sure they are upholding their customer service levels required, and if not the permits can be reissued. Companies can attract drivers with the contracts, which gives them the opportunity to grow.

Chair Cortese stated that Vice Mayor Dando has a good point and when we get to the recommendation at the end of the presentation we could ask that it be a clear statement about a 1-year probationary period, as opposed to just ordinary termination rights.

Bob Lockhart presented his portion of the item on the RFP for the airport management and starter service.

Councilmember Williams asked if we were the highest taxicab rates, Jim Ortbal stated that yes we do have one of the highest taxicab rates in the nation. We are trying not to pass on the trip fee to the customer, that is another reason we are reissuing the RFP and trying to take some of the risk out of the process.

Chair Cortese asked what time is needed to get the RFP back out for bid, so that we can formulate questions here today from the Committee members as well as the audience and get those answered by staff in order to expedite the RFP process. We will bring this item back in November in order to give staff time to answer questions and represent this item with answers so that we can then continue and get the RFP out to bid.

Vice Chair LeZotte confirmed that staff was not requesting in the new RFP that there be any subsidy from the City. Jim Ortbal confirmed yes, not city subsidy. It is important that the industry support the regulations that it needs.

Jim Ortbal stated that the last part of the presentation is the temporary limit on the number of taxicab driver permits in circulation to the number of permits on March 1, 2004 of 480. We would have to have this action passed and brought to Council for approval to amend the ordinance. Deputy Chief Pete Oliver's unit does the permitting of drivers, licensing of the companies, and does the inspection of the vehicles and is here today for any questions. The taxicab advisory team has had much discussion on the issue of permitting of the driver or the cars. The City Attorney's Office has informed us that permitting has only been done of drivers.

Chair Cortese asked a question to be brought back for next time is whether the memo set limit the number at those that were in use as of March 1, 2004, while his recollection in drafting is that it said prior to March 1, 2004. Those permits followed economic demand, whatever the high water mark was prior to March 1, 2004 that we should not exceed that between now and 2005 so that there is some stability in this model and could be measured fairly accurately. So if we flooded the market with permits that may make it difficult for the companies. That was the idea, but the memo language was "in use prior to March 1, 2004" as opposed to the memo today which says city records indicated that 480 permits were issued "as of March 1, 2004". Chair Cortese stated that staff should probably not take a "snapshot" of March 1, 2004 because we were at a low point, economically, and there may be unused allocation of permits, so maybe the high water mark may be even 600.

Jim Ortbal stated that in all likelihood it was because records show in 2000/2001 there were a higher number of permits and drivers operating in the City of San José. Chair Cortese stated that the Committee would like to know that number before we move things forward to Council.

Pete Oliver stated that one of the problems we are having is that we use VAX for our database and it does not do well for historical information. So we do need to do manually and go to the cab companies for assistance. Chair Cortese asked for our best calculations and show how we arrived at the numbers. Vice Chair LeZotte asked if we could break it out between owner operated companies and drivers. Pete Oliver stated again, we will do our best.

Councilmember Williams asked about the other cities that have already implemented the starter service and do we have any shared comparative data from them? Jim Ortbal stated that prior to the concession we did have a starter service here in San José. Staff will look and see what they can come up with.

Ed Shikada asked that a testimony from Dan Fenton, President and CEO, San José Convention & Visitor's Bureau, who was unable to attend be entered into the record.

Chair Cortese asked public speakers to limit comments to 60 seconds, so we can get everyone's main point in. We have received written questions from drivers that will be directed to staff to bring those answers as well as Committee questions back in 30 days to the next BBT Committee.

Tony Alexander, representing UFCW local 428, said he represented cab drivers. He distributed to Committee members his memo outlining their recommended amendments and ask that it be taken into consideration. He also asked that the Committee direct the City Attorney's Office to work with legal counsel for UFCW to get finalization, once the two attorneys work things out we will be fine with the conclusion.

Ali Ali, Yellow Cab driver, asked to put the numbers on the cabs not the drivers.

Pankaj Kumar, United Cab driver, wanted to discuss the methodology for adjusting airport permits, what we are proposing here is a block rotation outlined in his memo and would like for city staff to at least take under consideration.

Durralli Iqbal, Yellow Cab driver, submitted a memo with highlights of his concerns. Also wanted it noted that Mr. Jim (Ortbal) is dictating the Taxi Advisory Team (TAT).

Seyoum Asnaf, Yellow Cab driver to talk about item 2 on the recommendation from the City. His questions are posed on the last page of his submission.

Mola Gebeye, Golden Star Cab owner, spoke on the issue. Stating that he is a small cab company, which makes it difficult to get employees as they ask if he has the airport permit, when he says no the potential employees walk away. This will give his business an opportunity to grow, so this new model will help us to compete as taxi drivers. Also minimum requirements right now is 5 taxi cabs, and all of the small cab companies have at least 5 taxicabs.

Aaron Morrow, Vice Chair, Disability Advisory Commission, spoke on this item. Council approved a \$75,000 scope of work to help with this model and now we are back at square one. Customer service is the first priority, how are you going to deliver a product. It is up to the Council ultimately to make a decision on what are the next steps. Does not think the City is in any position to subsidize anything at this point, the task brought before us today will not fly and we leave it up to the City Council to make the right decisions.

Dave Logan, Yellow Cab, to speak on this item. Yellow Cab will bring to you in the next couple of days our concerns and questions in writing. If it was not the City's intent to cap the number of driver permits at 480, and now we are going to go back and look for a higher number, is it possible to take this hold off from the police department, as they will not take any new applications. Chair Cortese stated that this Committee is not authorized to override a Council action, but we can try and get this to Council as early as possible. According to Jim Ortbal the action was never approved at Council because the memo was not submitted under the Brown Act rules and therefore was not acted on, it was asked that it come back to Council. It was a short-term temporary hold until we came back to the Committee to find direction. Chair Cortese stated that he did not feel that it was the Committee's authority to intervene in a issue that was unsettled at a Council meeting, we can bring it to the Rules Committee as soon as possible to get this item on the agenda for clarity. We will refer this part in our action items.

Scott Strickland, representing the small companies, Alpha/California/Net/Santa Clara Cab. Spoke on the item, praised the staff for all the hard work and creativity on this model. He explained that the reason for the fewer trips on the bottom few companies on the chart presented today has nothing to do with competition, but the City prohibits these companies from picking up at the airport. The trips noted here do not correctly reflect the company's capabilities and capacity. He does not see a concern for these companies to handle the level of service standards for the City of San José.

Therese Maloney, United Cab, voiced her concern about anyone owning two cab companies should be treated as one. This is unfair. Also would like to revisit the unfairness of the top companies going from a large number of permits and dropped to the 11, 9, or 8. Any other issues will be addressed to the Committee in writing as soon as possible.

Smitriy Vorik, owner of Rainbow Cab, spoke on the item. If the City chooses to limit the number of drivers he can have on the road then we interfere with his income. The distribution of the cabs is totally wrong. He doesn't really care about the airport, but is asking us not to limit him to the amount of drivers.

Kirpal Sinehbajaz, United Cab, would like to know if the permits are going to the cab or the cabdrivers? He is in hopes that it goes to the car.

Chair Cortese thanked everyone for coming out and their patience. He then reiterated what was on the table to go with the motion as follows:

- Need corporate profile on cab companies, including number of company owned cabs now (preempted by how many cabs are actually owned by companies)
- Explore a 1 year probationary period on the 2-year contract as a way of insuring quality control
- Inquiry on the 480 permits, to be handled separately
- How many permits existed prior to march 1, 2004
- Best practices from other cities who have employed management companies, do most best practices take into account an airport foundation project going on, still would like to look at the financial models of other cities
- Block rotation submitted in writing by a public speaker
- Request legal counsel representing some of the drivers be allowed to interface with the City's Attorney's office to talk and understand the draft contract attached to staff memo
- Need answers on whether or not contract would be issued to the cab or to the driver
- Answers to all written questions submitted by public speakers today
- Two companies treated as one, need history on this discussion
- How companies went from 45, 19, & 13 down to the smaller permits numbers
- What happens to the permits when you sell or are bought out
- What happens to newly formed companies in the interim, how do they become eligible or do they not
- What is the cost of enforcement and is that added into the management fee, and what happens when they are not permitted in San José
- Economically how is the change we are making is this the most viable option to help drivers. Some of this work was done by the TAT and consultant and could be brought back
- Revisit the cap on the Citywide permits

**Upon motion by Vice Chair LeZotte, and seconded by Councilmember Williams, the Committee accepted the report with direction to staff to come back to the Committee on November 1, 2004 meeting with answers or documentation on all of the above as well as any written submitted question here today, keeping in the time frame for the RFP and refer to Rules out of this Committee whether or not the Council had in fact suggested that there be a moratorium based on the number of permits that have been issued on whether that was based on the fact that this would be moving at a quicker pace and whether we want to**



**reconsider or did we in fact have a moratorium.**

Chair Cortese commented on the motion by stating that there has been a tremendous amount of work done the TAT, staff, consultants, if this model is going to go forward, and would like the goal /target of getting to Council in 6 weeks with the items cleared up in 30 days. This is directed to staff as well as stake holders.

## **2. Review of Niemen-Route 87 Portion of the Downtown-East Valley Light Rail Project**

Jim Ortbal, Assistant Director, Department of Transportation, introduced Hans Larsen, Deputy Director, Department of Transportation.

Ed Shikada, Deputy City Manager, City Manager's Office (CMO), stated that this item is essentially a follow up to prior BBT discussion effecting the Committees direction at that time.

Hans Larsen stated that this was a straightforward report and is here to answer any questions at this time.

**Upon motion by Vice Chair LeZotte, and seconded by Vice Mayor Dando, the Committee accepted the report.**

### **b. Traffic Relief/Safe Streets**

#### **1. Review of Annual Traffic Calming Report to Council**

Jim Ortbal introduced Amit Kothari, Deputy Director, Department of Transportation, Laura Wells, Division Manager, Neighborhood Traffic Management, Department of Transportation, Linda Crabill, Communication Relations Manager, Department of Transportation, and Jeff Marozick, Sergeant, Bureau of Field Operations, Traffic Enforcement Unit San José Police Department, who gave a brief overview of the report submitted to the Committee. Amit Kothari began by going over the traffic calming program that was adopted in 2001 with the highlights being the program activity, radar speed surveys, school area crosswalk lighting system, new developments, the street smarts public education program, and the enforcement activities, including the photo radar program.

Vice Mayor Dando commended staff on their efforts on this campaign. Prior to this program her office was receiving 3 –4 calls a day related to traffic calming issues, and now it has been reduced to 3 – 4 a month.

Councilmember Williams thanked staff as well. He did mention that he would like some sort of log with statistics of what problems have occurred, how they were rectified and for what reasons we used that particular method as opposed to another that maybe a resident has requested. Jim Ortbal offered to work with Councilmember Williams on his request so that he can have a listing

for future constituent complaints and be able to inform them what are standard practices are for certain areas of complaints.

**Upon motion by Vice Mayor Dando, and seconded by Councilmember Williams, the Committee accepted the report.**

**c. Supporting Smart Growth**

No items

**d. Regional Relationships/Funding/Policy**

**1. Caltrans District 4 Regional Transportation Issues Report**

Jim Ortbal, Assistant Director, Department of Transportation, introduced and welcomed Bijan Sartipi, State of California, Department of Transportation, District Director, District 4, Dana Cowell, State of California, Department of Transportation, Deputy District Director, Planning and Local Assistance, District 4, Gene Gonzalo, Caltrans, District Division Chief, Division of Program/Project Management, District 4, Bob Salazar, Caltrans, Regional Manager, District 4, and Jim Helmer, Acting CIO, Information Technology Department/Director, Department of Transportation.

Councilmember Williams took this opportunity to show a few slides of pictures he has taken in and around his District and the freeways of the litter problem. He shared his concerns about the need for the City of San José to be a clean city and when people come to visit, we want them to have a view that we are the safest, largest, and cleanest city. We need to come up with a solution on how we can work together with Caltrans to accomplish this task.

Jim Helmer began by thanking Bijan Sartipi for joining us and mentioned that he has agreed to come to our Committee two times a year to address issues the city may have. On alternate quarters, City staff will be meeting with Oakland staff to check in and see how we are doing in addressing the concerns.

Bijan Sartipi gave a verbal presentation on the Santa Clara County State Transportation Improvement program and the State Highway Operations & Protection program on District 4, which covers all nine bay area counties, and is the largest District of all. We are challenged with a tremendous shortfall. He went over projects including pavement improvement projects in San José. I-680 from 280/680/101 IC to Alameda County line, I-280 from 280/680/101 to Tantau Avenue, and Route 101 from Guadalupe River to San Mateo County Line. Route 87 Freeway upgrade corridor, Julian St. to Route 101. Route 87 Freeway upgrade projects including Taylor to I-880, I-880 to Airport Parkway, and on 101, Brokaw Road to Trimble Road. He discussed the Route 87 improvements, 280 – 85, and the Route 101/Evergreen improvements. To conclude he spoke on the freeway litter removal program and the City letter

task force. He stated that there is not enough funding to keep the city clean all the time, and the best approach for this problem is education. His idea is to clean up a large section of San José, and put the pile of debris in a large pile with a sign stating "Keep California Clean". The sign should also indicate how much tax dollars were spent to collect the pile of trash so people can see for themselves and hopefully realize that their tax dollars go to cleaning up something that every individual has the power to stop and serves no benefit.

Vice Mayor Dando asked about the VTA HOT lanes, how do we coordinate the City with Caltrans? Mr. Sartipi stated that there would be coordination, the typical HOT lanes in California are separated by a barrier, on 680 we are looking at one that is separated by a soft barrier (striping) which creates a challenge with respect to safety and enforcement. We will be using the 680 experience and try to duplicate it in the 87 project if that is the direction we end up going. There are still a lot of difficult challenges and questions unanswered. Caltrans will be working closely with California Highway Patrol (CHP) along with the City to make sure it is implemented as safely as possible. We will try to ensure that there is minimal "throw away" in respect to coordinating with any current or future construction planning.

Vice Mayor Dando asked about the surplus property off of 87 between Santa Teresa and Capitol Expressway. There has been inquiries about the property for development and cannot find the answers for them.

Mr. Sartipi was not familiar with that area and property. He stated that Caltrans is in the habit of selling off surplus property not needed as soon as possible.

Ed Shikada, Deputy City Manager, City Manager's Office (CMO), offered to help facilitate getting the answers for Vice Mayor Dando's question on the surplus property issue. As the CMO has been involved in smaller developable properties, the CMO would like to assist in coordination with Caltrans, District 4 and Vice Mayor Dando's office on the surplus property issues.

Vice Mayor Dando then addressed Mr. Sartipi with a problem with the area in District 10, the intersection of 85 and Almaden Expressway. There is a major shopping area there, and the off ramp does not work, there are continually cars stacked up onto 85 that creates a dangerous situation. SJPd officers are out there regularly trying to direct traffic and this is not a good use of their time. There is a small piece off property that the City has been trying to acquire to widen the lane and help with the danger traffic problem.

Councilmember Williams has express gratitude in the help and the difference that has already been made to help keep our city clean. Bob Salazar's staff has been very helpful.

Councilmember Chavez expressed concern from her and the community we are completing the 87 project is the foliage issue. Mr. Sartipi stated that landscaping is a follow up from completion of projects.

Councilmember Chavez expressed concern about surplus property as well, as to not hold up any Transit Oriented Development (TOD) opportunities. Mr. Sartipi stated that one of Caltrans

performance measurements is on highly disposal, excess property and the timely selling of the surplus property. If there are no plans for those properties, we try and get rid of them as soon as possible.

Vice Chair LeZotte then turned the meeting over to Chair Cortese who arrived at 2:05, during item D1.

**The Committee accepted the report.**

2. One Year Report on the Construction Impact Mitigation Plan (CIMP) activity

Chair Cortese stated that due to time constraints we will defer this item until the next meeting on November 1, 2004.

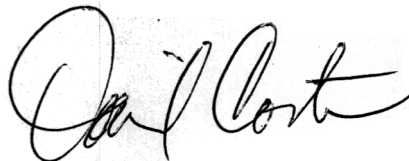
**Item deferred until November 1, 2004.**

e. Oral Petitions

There were none.

f. Adjournment

**The Committee was adjourned at 4:30 p.m.**

A handwritten signature in black ink, appearing to read "Dave Cortese", is centered on the page. The signature is fluid and cursive.

Councilmember Dave Cortese, Chair,  
Building Better Transportation Committee